



Financial and Compliance Audit Services for the New Mexico Educational Retirement Board

RFP # 26-352-0217-02619

Responses to Written Questions

1. What were the fees for the prior year's audits, broken down by financial statements, GASB 68 report, and New Mexico Gross Receipts Tax?

	FY25	
Financial Statements	\$	92,700
Employer Allocation	\$	30,400
NM GRT	\$	9,695
Total	\$	132,795

2. How many hours did the prior audit firm propose for each service for their previous proposal?

Financial Statements = 700 hours, Employer Allocation = 200 hours

3. Have there been recent changes in key personnel in any of the department's accounting/finance functions or are there changes known for the future (retirements)?

In March 2025, Renada Peery-Galon moved from the ASD Director/CFO position to the Deputy Director. Megan Mannila took over as the ASD Director/CFO in May 2025, she was previously the Budget and Financial Services Manager.

4. Does NMERB expect any significant changes in the accounting system or other systems relevant to financial reporting during the contract term?

NMERB is in the process of implementing a new pension administration system, with an expected completion date in FY28.

5. Is there anything specifically that you are looking for in a potential new professional services firm?

No.

6. What engagement process would NMERB like to improve?

Nothing at this time.

7. Are the audits conducted remotely, using a hybrid model, or in-person full-time?

The audits are currently done on a hybrid model.

8. Is NMERB open to audits performed remotely?

Not entirely, NMERB would expect some in-person contact.

9. How many adjusting entries were there in the prior year? And if applicable, what was the nature of those adjusting entries?

No adjusting entries in FY25.

10. Do you allow auditor's read-only access to your financial accounting system and/or pension administration system?

Yes, auditors are allowed view only access to both the financial system and the pension administration system.

11. What pension administration system or application does NMERB use for member and employer accounts, calculating benefits etc.?

NMERB currently uses Vitech but is implementing a new pension administration system.

12. How many employers did the previous audit firm select for testing active member census data?

This information will be determined by the auditor selected through the Request for Proposal based on the audit plan established to meet the auditing standards.

13. How many samples were selected from each employer for testing individual member census data?

This information will be determined by the auditor selected through the Request for Proposal based on the audit plan established to meet the auditing standards.

14. Regarding Section IV.C.1 – Financial Stability, to verify,) Would a recent Dun & Bradstreet (D&B) report be considered an acceptable substitute for demonstrating financial stability, as permitted in Section IV.C.1? If additional supporting documentation is required beyond the D&B report, please clarify what the Agency would consider adequate.

Yes, a Dun & Bradstreet report is considered acceptable.

15. What have the audit fees been for the last 2 audit cycles of FY24 and FY25? Please provide the breakout as included on the NM OSA Contract.

	FY25	FY24
Financial Statements	\$ 92,700	\$ 91,800
Employer Allocation	\$ 30,400	\$ 30,100
NM GRT	\$ 9,695	\$ 9,600
Total	\$ 132,795	\$ 131,500

16. Is the schedule of pension amounts by employer prepared by the actuary or ERB's accounting staff currently?

It is prepared by NMERB's actuary and NMERB staff.

17. Why is NMERB going out for proposal?

The current contract is at the end of the allowed four-year term.

18. Is the current auditor allowed to bid on the RFP?

Yes.

19. Were there any adjustments proposed by the auditors for FY 2025 or FY 2024?

None for FY25, in FY24 there were two proposed adjusting entries.

20. When did the interim fieldwork occur? How many auditors were out in the field during interim?
For how many days?

The Agency would prefer that interim fieldwork be completed in early August. The number of weeks and auditors for the interim audit fieldwork will be based on the audit plan established by the auditor.

21. When did final fieldwork occur? How many auditors were out in the field during final fieldwork?
For how many days?

The Agency would prefer that final fieldwork be completed in early October. The number of weeks and auditors for the final fieldwork will be based on the audit plan established by the auditor.

22. Can the audit be performed remotely or does NMERB require auditors to be on site?

NMERB will allow a hybrid schedule which requires some in-person contact.

23. If NMERB could change one thing about the audit process what would that be?

Nothing at this time.

24. If NMERB changed to new auditors what transition issues would be a concern to NMERB?

NMERB is currently implementing a new pension administration system, this is the biggest challenge that the agency is facing.

25. What is NMERB's expectation of the audit process, such as length of time the audit team would spend on site for interim and final fieldwork?

The Agency would prefer that interim fieldwork be completed in early August and final fieldwork be completed in middle to late October. The number of weeks for the interim and final audit fieldwork will be based on the audit plan established by the auditor.

26. What controls are in place to monitor and record calls and distributions for real estate and private equity investments? (internal or outside consultants?)

NMERB has various controls in place, the auditor will be provided with the controls upon the award of the Request for Proposal.

27. What reconciliation procedures are performed between the different investment managers and custodians and how often?

NMERB has various reconciliation procedures that will be provided upon the award of the Request for Proposal.

28. Are there going to be any significant changes to the system that would significantly change its investment vehicles or benefits provided? If so, what are they?

NMERB is currently implementing a new pension administration system, expected completion is FY28.

29. What are the key qualities that NMERB is expecting from their auditors?

Independence, expertise, and compliance.

30. How long does NMERB keep their books open for any true up of fair value of the alternative investments?

No later than the first week of October.

31. Have any 'hard to value' investments such as investments in private equity, limited partnerships, real estate, natural resources, derivatives and similar been 'written down' or 'written off' in the past 3 years? Are private equity investments subject to limitations on withdrawals?

NMERB will provide any applicable information related to this question to the selected auditor upon the award of this Request for Proposal.

32. Are any of the hard to value investments audited financial statements prepared in a basis of accounting other than US GAAP? If so, does NMERB perform additional procedures to determine US GAAP fair value amounts?

NMERB will provide any applicable information related to this question to the selected auditor upon the award of this Request for Proposal.

33. Are there any internally managed funds for NMERB? If so, what are the investment types and the approximate dollar amounts?

NMERB will provide any applicable information related to this question to the selected auditor upon the award of this Request for Proposal.

34. Who maintains the book of record for the internally managed funds?

NMERB's custody bank and the State of New Mexico's financial accounting system.

35. How many employers were selected for census testing in the prior 2 years for each cost sharing plan?

This information will be determined by the auditor selected through the Request for Proposal based on the audit plan established to meet the auditing standards.

36. Can the census data testing be performed remotely?

Yes.

37. Were there any errors noted in the census testing performed in the prior 2 years?

No.

38. What were the audit fees for 2023 and 2024 for the following?

a. ACFR

b. GASB 67/68 Census Data testing and audit

	FY23		FY24	
Financial Statements	\$	90,900	\$	91,800
Employer Allocation	\$	29,800	\$	30,100
NM GRT	\$	9,505	\$	9,600
Total	\$	130,205	\$	131,500

39. If there are significant changes to the scope of work as a result of change in accounting or auditor standards in subsequent years is the additional work to be included in the original fixed fees or can the additional work be negotiated at the time of the change?

This would be dependent upon the extent of the "significant changes".

40. If applicable, how much work has been performed by internal audit that has been relied upon by the external auditors? Is there a set number of hours available to assist with the audit or other measures that could be provided to gauge the level of involvement?

None.

41. Our process also includes a requirement to sign an annual Masters Service Agreement/Scope of Work (engagement letter) on commercially reasonable terms. Is NMERB amenable to signing?

NMERB's General Counsel would need to see the engagement letter to provide a response.